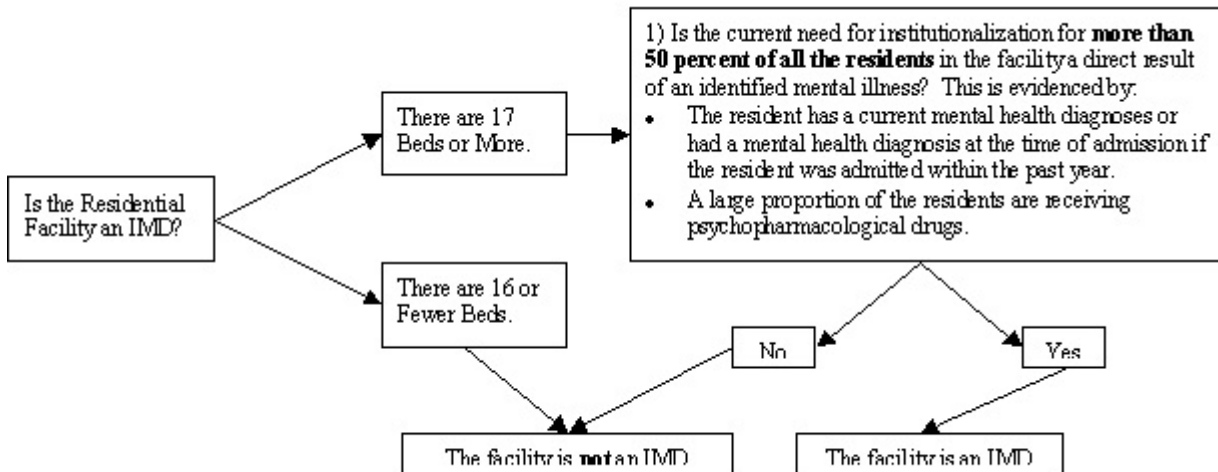


Determining Status of a Residential Facility ~ SRS ~ 06.19.06

Institution for Mental Disease (IMD) Exclusion --- Payment is not available for any medical assistance under Medicaid provided to any individual who is under age 65 and who is a patient in an IMD except for payment provided to a Psychiatric Residential Treatment Facility (PRTF) serving children under the age of 21. An institution is an IMD if it is over 16 beds and its overall character is that of a facility established and maintained primarily for the care and treatment of individuals with mental diseases. **The facility's overall character is not** solely determined by mental health care being provided by or in the facility.



When will services be reimbursed by Medicaid?

For an IMD:

If the facility meets the IMD criteria listed above, Medicaid will only reimburse for services (both physical and mental healthcare) provided through a PRTF. Services provided through a PRTF are reimbursed using a daily rate that is regularly adjusted based on the actual costs accrued by the facility.

Services provided in a PRTF must be needed as certified by a mental health practitioner independent of the facility, and once admitted the need for continued services must re-certified on a regularly scheduled basis.

The PRTF must provide active treatment in accordance with an individualized treatment plan.

Services must be furnished by or under the direction of a physician and all staff must meet applicable licensure and certification requirements.

A psychiatric residential treatment facility must meet the requirements and standards of state certification or licensure, and a national accrediting organization recognized by the state.

For a Non-IMD:

If the facility has 16 or fewer beds, the facility is not an IMD can choose one of two reimbursement methods:

1. Choose to meet the PRTF criteria listed above – services will be reimbursed using a daily rate that is regularly adjusted based on the actual costs accrued by the facility.
2. Choose not to meet the PRTF criteria listed above – in order to provide mental health services the facility would have to associate with the local CMHC. Medically necessary services would be provided in accordance with Medicaid requirements and reimbursed on a FFS basis.

If the facility has 17 or more beds but the overall character of the facility is not that of an IMD as described above, mental health services can be reimbursed using the following method:

1. In order to provide mental health services, the facility would have to associate with the local CMHC. Medically necessary services would be provided in accordance with Medicaid requirements and reimbursed on a FFS basis.

*** All substance abuse providers will need to enroll with the designated Managed Care Organization regardless of IMD status.**